Approved For Release 2005/11/28 : CIA-RDP91-00901R000600050025-3

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CIA OPERATIONS CENTER

NEWS SERVICE

Date. April 22
Item No. 3
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DISTRIBUTION II

Adds to that announced earlier.

UP-040

ADD Z WALTERS, WASHINGTON

NINE DAYS AFTER THE ORIGINAL WATERGATE BREAK-IN, JOHN DEAN ASKED WALTERS WHETHER THE CIA COULD USE COVERT FUNDS TO PAY FOR BAIL AND SALARIES OF THE MEN INVOLVED IN THE BREAK-IN.

SUBSEQUENTLY, H.R. HALDEMAN, A TOP NIXON AIDE, RECOMMENDED TO NIXON "THE WAY TO HANDLE THIS (THE BREAK-IN) IS FOR US TO HEWALTERS CALL (FBI DIRECTOR L.) PAT GRAY AND JUST SAY 'STAY THE HELL OUT OF THIS ... THIS IS THE CIA.'"

NIXON APPROVED THE PLAN TO HEAD OFF THE FBI INVESTIGATION BY USE OF THE CIA, ACCORDING TO TESTIMONY AT THE SENATE WATERGATE COMMITTEE HEARINGS.

NIXON TOLD HALDEMAN, IT WAS REPORTED, "WHEN YOU GET THESE PEOPLE IN, SAY 'LOOK, THE PROBLEM IS THAT THIS WILL OPEN THE WHOLE BAY OF PIGS THING.'

"DON'T LIE TO THEM TO THE EXTENT TO SAY NO INVOLVEMENT, BUT JUST SAY THIS IS A COMEDY OF ERRORS, WITHOUT GETTING INTO IT, THE PRESIDENT BELIEVES THIS IS GOING TO OPEN THE WHOLE BAY OF PIGS THING AGAIN ... THAT THEY SHOULD CALL IN THE FBI AND SAY THAT WE WISH FOR THE COUNTRY DON'T GO ANY FURTHER INTO THIS CASE, PERIOD."

WALTERS, 59, IS A NATIVE NEW YORKER WHOSE LINGUISTIC ABILITIES ENABLED HIM TO GIVE INSTANT TRANSLATIONS OF SUCH TONGUES AS RUSSIAN, SPANISH, FRENCH, GERMAN, AND ITALIAN.

NIXON NAMED WALTERS TO THE CIA POST IN 1972. NIXON, ACCORDING TO FORMER WHITE HOUSE OFFICIALS, FELT HE WANTED SOMEONE CLOSE TO HIM WHO WAS AT THE ELBOW OF CIA DIRECTOR RICHARD HELMS. NIXON, THEY SAID, FELT HELMS WAS NOT PERSONALLY LOYAL ENOUGH TO HIM.

KNOCHE, 51, JOINED THE CIA IN 1953.

DURING THE WATERGATE YEARS, 1972 TO 1975, HE SERVED AS CHIEF OF SUCH CIA ACTIVITIES AS TINTELLIGENCE DIRECTORATE'S OFFICE OF STRATEGIC RESEARCH. IN 1975 HE WAS APPOINTED BY FORD TO BE ASSOCIATE DEPUTY TO CIA DIRECTOR WILLIAM COLBY. COLBY WAS REPLACED LAST YEAR BY GEORGE BUSH.

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KNOCHE SERVED FROM 1962 TO 1957 AS A SPECIAL ASSISTANT TO THE DIRECTOR AND DEPUTY DIRECTOR OF THE AGENCY. IN 1967, HE BECAME EXECUTIVE DIRECTOR OF THE NATIONAL PHOTOGRAPHIC INTERPRETATION CENTER.

IN 1969, KNOCHE BECAME DEPUTY DIRECTOR FOR PLANNING AND BUDGETING AND THE NEXT YEAR WAS NAMED DEPUTY DIRECTOR FOR CURRENT INTELLIGENCE. FROM THAT OFFICE CAME THE DAILY CIA REPORTS THAT WENT TO THE WHITE HOUSE AND TO SELECTED TOP STATE AND DEFENSE DEPARTMENT OFFICIALS.

WALTERS TESTIFIED THAT HE AND HELMS WERE ASKED TO MEET WITH HALDEMAN AND JOHN EHRLICHMAN, ANOTHER TOP NIXON AIDE, ON JUNE 26, 1972, AT THE WHITE HOUSE. HALDEMAN TOLD WALTERS AND HELMS THE WATERGATE INCIDENT WAS MAKING "A LOT OF NOISE" AND IT "MIGHT GET WORSE" IF THE DEMOCRATS EXPLOITED IT.

AFTER THE MEETING, WALTERS MET WITH GRAY AND TOLD THE FBI OFFICIAL HE HAD "JUST COME FROM THE WHITE HOUSE" WITH INSTRUCTIONS TO INFORM GRAY "THAT FURTHER PURSUIT OF THE INVESTIGATION COULD EXPOSE OR TOUCH ON CIA COVER OPERATIONS IN MEXICO."

AT THE REQUEST OF HALDEMAN THROUGH WALTERS, GRAY HELD UP THE FBI INVESTIGATION FOR TWO WEEKS, BEFORE GRAY FINALLY CONCLUDED HE NEEDED A FORMAL, WRITTEN REQUEST FROM THE CIA. HE THEN CONVENED A MEETING WITH WALTERS JULY 6, AT WHICH, GRAY TESTIFIED, WALTERS BALKED AT PUTTING ANYTHING IN WRITING.

GRAY TESTIFIED THAT WALTERS THEN CONCEDED THERE WAS NO CIA CONNECTION TO WATERGATE AND RECALLED WALTERS SAID, "I'M NOT GOING TO LET THOSE KIDS AT THE WHITE HOUSE KICK ME AROUND."

UNDER FORD'S ORDER REORGANIZATION OF THE CIA -- DESIGNED TO BAR THE AGENCY FROM ANY DOMESTIC ESPIONAGE AND ANY PLOTTING OF ASSASSINATION OF FOREIGN LEADERS -- BUSH WAS GIVEN COORDINATING AUTHORITY OVER ALL FEDERAL CLOAK AND DAGGER AGENCIES AND, IN TURN, MADE THE POST OF DEPUTY DIRECTOR THE DAY-TO-DAY CHIEF OF CIA OPERATIONS.

THAT WAS THE POST W

LTERS HELD UNTIL NOW.

UPI 04-22 11:54 AES

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